



STARS Newsletter

South Texas Association of Resale Shops
visit us at: www.starsresale.com

Aug/Sept 2007

Volume 17, Number 4

Why do Customers shop with you?

1. They feel very comfortable in your store and like coming in.
2. They perceive that there is a frequent rotation in merchandise and frequent visits are necessary to get the "good stuff."
3. Quality of merchandise and price is consistent and acceptable.

That's it in a nutshell, folks. If you can deliver on these three things, you are going to keep the customers coming in. Well, I mean those few customers still left who HAVE any money after paying for gas, health and homeowners insurance, property taxes and credit card debt. Then we have the people who are so depressed at the state of the War and our country that they want to hold on to their money.

Yeah, only few shop owners are bragging that customers are beating down their doors. But I bet the reason is they have nailed all three reasons customers will come to them.

Let's take #1. Someone must smile and acknowledge a customer very soon after they enter your door. The longer they walk around without any recognition from you or employees, the more uncomfortable they will feel and it is a feeling they will take with them when they leave. The next time they shop resale they will go down the street to that friendly store first, where they might spend all their money and then skip you. Next, think of all the ways you can make a customer's visit a memorable experience.

Take #2. Nothing will kill a customer's desire to shop your store faster than seldom seeing new stuff. How do you get more stuff in? I joined women's clubs and solicited consignments. I never asked them to shop resale as that seemed to offend some, but once they came in with a consignment they sometimes became customers.

Take #3. Next to seldom seeing new stuff, finding average quality merchandise over-priced will definitely make your customer shop you last on the resale circuit, if at all. You must be as selective as you can and remember to price stuff to SELL. Forget what it is worth. It's true worth is what the customer is willing to pay for it.

Editor,
Pat Swartley

GETTING READY FOR THE FALL 2007-SPRING 2008 OFFICIAL STARS DIRECTORY.

Our publisher, Jacke Shipwash says: Ad copy was due in July for previous advertisers. **If you did not have an ad in the last publication but would like to advertise, call today to reserve your ad space.**

Payment schedule is as follows: **If your ad is paid for on or before August 10th, the price is \$112. After August 10th, the price is \$122, whether or not you received an invoice. No exceptions.**

You can contact Jacke by email: shipwash1@verizon.net, by phone at: 409-771-6393. Mailing address is: Jacke Shipwash, P. O. Box 431, Santa Fe, Texas 77510.

Let's make Jacke's job as easy for her as we can! Jacke, we so appreciate your long standing service to STARS!!

Mark Your Calendars

September, 2007

Fall delivery of the STARS Official Directory

October 1, 2007

Next mail-out of the STARS Newsletter. We welcome news or articles of interest to our membership. Send to: Pat Swartley, 2206 Waters Edge Lane, League City, TX 77573 or call 281-338-9360. Email at pswartley@yahoo.com

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About STARS...

The STARS Newsletter is published bi-monthly 6 times a year for Feb/Mar, April/May, June/July, Aug/Sept, Oct/Nov and Dec/Jan and is mailed to STARS members, prospective members and other interested persons.

STARS was founded in 1991 to promote education, networking, mentoring and co-op advertising among member for-profit resale shops.

Membership in STARS is open to for-profit resale shops in South Texas. Membership dues are only \$50 per year. New members pay a mandatory one time listing fee of \$50 to be included on the STARS website, www.starsresale.com. A STARS member may link their shop website to their STARS listing at any time for a one-time fee of \$50. Contact STARS at 713-789-6456.

How to join STARS: Go on-line to the STARS website and click on "Membership." Follow the directions. You may pay the required initial fee of \$100 (\$150 in you wish to also link your website to your STARS listing) on-line with a credit card or if you prefer, download the membership form and mail a check to STARS, 1922 Fountain View, Houston, TX 77057

The bi-annual STARS Official Directory is distributed through-out Greater Houston and surrounding areas in March and September. A member is not required to participate but is encouraged to do so. For information about the Directory, please contact the Publisher, Jacke Shipwash at 1-409-771-6393.

STARS volunteer board members are: Yolanda Ramirez and Sandra Marin, Second Childhood on Fountainview, 713-789-6456.

STARS Newsletter Writer/Editor:

Pat Swartley
281-338-9360

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Karen Frerking

Advertising is accepted.

Letter from the editor...

One of my most favorite events at the NARTS Conference is hearing an industry leader give an inspirational speech after breakfast on Saturday morning. This year Sue McCarthy, NARTS Treasurer, and owner of 4 stores in St. Louis, MO, took the podium. **Here are some of the highlights from her speech.**

Being successful for Sue is to "have the freedom to be able to do the things you want in life, and work when you want." This is certainly an admirable goal that we would all like to reach! How can we do that?

Sue said we needed to be concerned with these areas of our business: Financial health, growth, relationships with our consignors and retail customers, a serving spirit for our community, and integrity.

Sue added that none of these business concerns could be successfully addressed unless you have "good people" working for you. At the top of her list of employee relations is to pay good wages and to treat them well. She likes to take each employee out to lunch every 6 months to ask them what they think the goals of the organization are. Do your employees "have your mission," Sue asks? The goals of your business and how to reach them must be clearly understood by everyone.

Sue said that the latest trend is to go "green." "Make your store green." One way she does this is to give her customers a "large bag with her store logo on it." The customers are instructed to fill the bag with consignment items and to bring the bag back when it is full. Or they could bring the bag in empty for purchases! Those plastic bags we use everyday is costing us money and killing the environment! Save the planet and get great PR at the same time.

If you are not familiar with the term, "branding," it refers to keeping a consistent "voice and face" of your business in the public eye in everything from your logo to your website. Professionalism in all that you do inspires customer and consignor loyalty.

You can't talk about Sue without mentioning that she is huge on customer service. All of her workshops and articles for the NARTS newsletter reflect that intense desire to please customers and to care about them personally as well. Be sure and read her article on the NARTS website about this subject (see page 4 for details).

One final point Sue made was, "don't be too busy working IN your business that you forget to work ON your business." This simply means you must on occasion step away from the familiar to take a good hard, fresh appraisal of how your store looks and operates.

Don't wait for a customer to point out a need for a change! Once at the Clothes Basket a lady came in and just went nuts over our store. As she was checking out with a large purchase she said to me, "I've passed by your store for years—I never thought you would have stuff like this in here." We immediately did something to make the outside look more attractive!

Stay out of heat,
Pat Swartley



“Knowing your magic number and keeping it in mind while you plan marketing will increase your probability of success.” ----From a workshop by Bob Schordock, NARTS Conference, June 2007.

I found this workshop fascinating because in reality few people starting a resale business even think about how much they want or need to get as “Owner Compensation.” They just think they are going to be rich. In fact, one big reason resale shops close or are sold is because the owner felt the compensation was too small for the time and work involved in building the business, or worse, there was no compensation left after paying the bills!

Owner compensation is not the same as “profit”. Profit is what is left over after all expenses, including taxes and owner compensation is deducted from the “gross sales.”

“Magic number” refers to what amount of income do you want to make from your business? It is prudent to pick a magic number that is more than what you need to make, but not an unreasonable expectation.

Now, Bob says, List your “fixed costs” for the year. This includes, rent, employee salaries, taxes, insurance, utilities, advertising, etc. At the workshop we discovered that to make the out-come of this little exercise work best you should also add a “Misc.” of about 10% of the fixed expenses. Note: Consignor payments or money spent to purchase items for resale are not counted in “fixed costs.” Next: Add together the “magic number” and “fixed cost” and double that number if you give your consignors 50%. The resulting number will show how much income the store needs to generate to give you your magic number. If you pay consignors 40%, actually, then you would make 10% profit.

Personally, in my business I seemed to have had too much “misc.” each year to be able to walk away with my magic number, but it gives you an interesting perspective.

Pat Swartley

NARTS CONFERENCE A HUGE SUCCESS by Pat Swartley

I feel privileged to have attended the June Conference held in San Antonio. STARS, Carrie Mathews and Lori Polanco were there and I asked them to share their experience. Carrie, who has owned All Dressed Up, a kid’s resale in Pearland, for four years said she regrets not going sooner. Lori, new owner of Changes, in Webster, (but a former employee since 2001) said she found it inspiring to be around so many resale shop owners who loved their shops and thought their shop was the best. Both mentioned that informal chat sessions between Conference events gave them a lot of good advice, as well as the workshop sessions.

Next year the Conference will be in Indianapolis, Ind. Check their website, www.narts.org for full information.



WHAT YOU MISSED BY NOT GOING TO CONFERENCE, By Pat Swartley

FROM THE INFO SHARE TABLE

Wear It Again, Sam in South Dakota sends out a post card in July, “Back-To-School Sale, 10% off your next purchase until September 30th with this card.” The store recorded the date and the purchase amount. This was a great idea to track customer response. Perhaps a special mail-out with another offer could target the customers who took advantage of the first offer. Another card is mailed in February offering customers a packet of seeds (or it could be any free give-away) if they bring the card in, which shows you don’t always have to give discounts to get customers in the door.

Easy Street Consignment (no state in the address!) had a catchy card offering a free bag of Halloween candy with any \$30 purchase in October, and also listed 10 designer labels in ladies fashions that they carry.

Kid’s Closet in Rochester, Ill. mailed a white card with green dollar signs with “No tax” on any purchase from March 1st to April 15th”. One point: their tax rate is probably less than 10%, so paying the tax is cheaper than offering a 10% discount.

Signs posted in resale shops: **1. “Parents, Please feel free to use this store to teach your children respect for other people’s property.” 2. “It’s not shopping—it’s retail therapy” 3. Born free, but now I’m EXPENSIVE!”**

LET THE PARTY BEGIN...After hours’ parties serve to please customers by making them feel like a pampered VIP customer. Encourage them to bring their friends who could also become new customers! You could write a book on the many different ways to use parties to create fun, excitement and a shopping frenzy in your store! Here are some ideas:

Favorites: Friday 4:30-7:00 pm (or other nights) for after-hour events geared to “girl friend get-aways” themes. Best to do them on the 15th or 30th of the month. Focus is to have fun and shopping, so go easy on food and drink. Advertise in the store, mail invitations to a select list of loyal customers. Give at least 2 weeks notice. Be creative in advantages offered to customers who attend. A speaker? style show? chair massages? Makeovers? How about doing a party for an organization as a fund raiser?

Another favorite is “theme” parties around holidays or special happenings such as a Super Bowl Party for football “widows” held Super Bowl Sunday afternoon featuring fun things mentioned above and maybe a fantastic winter clothing sale, and a peek at the new Spring fashions coming in.

Note: Not all parties have to be built around sales. The goal is to “add value” for the customer who asks, “What’s in it for me” if I attend?



INTERESTING AND INFORMATIVE WEBSITES



Website for business owners with a Christian influence:
www.businessproverbs.com Lots of good information about how to run your business. The Home page has the top 5 most frequently asked questions.

www.narts.org On the home page, click on “newsletter” and check out interesting titles of quite a number of articles, all free and accessible by members and non-members. Three of Pat Swartley’s articles are there: “Create a Shop Newsletter,” “How to Make Money,” and “The Coupon Caper.”

Check out these articles, also: “So you are having a sale?,” good tips on why and how to conduct sales, by Patti Aquisto, past President of NARTS; “Exchange Club” an eye-opening look at developing a VIP shopper club, by Sue McCarthy, NARTS Treasurer.

www.howtoconsign.com is #1 on Google. The website is designed to educate your potential consignor and to help them find YOU. Check it out. Cost is “less than the cost of a cup of coffee a week.”

Jacke Shipwash recommends STARS check out two websites she finds interesting: **www.whatsmineisyours.com** and **www.clotheswap.meetup.com**

Let us not forget our own STARS Website! Have you checked it out lately? Please do so without delay. Verify that all information about your store is correct. Listings are under location of store and by specialty. We also added a feature several years ago to list all stores alphabetically.

Do you have a “**tag line**” of store information included in your listing? Do you want to change it? Think about linking your website to your listing. Only \$50—a one-time fee, and your store name is mentioned on the home page.

To make any changes or additions to your web information (for which there is no charge), or to link your website, please contact Yolanda at Second Childhood from our website, as instructed, or by phone: 713-789-6456.

On the Home page, check out these Icons:

“**Resale Queen.**” We welcome questions and we will give you answers. It is not necessary to give your name to get a response printed on the website.

“**Resources.**” Fabulous links to other websites of interest to resale shop owners, plus other information.

“**Newsletter.**” We have archived issues from several years back.

STARS is in the process of revamping our website. Any suggestions or ideas? Please communicate them to Yolanda.

***LOOK INSIDE FOR THE LATEST
S.T.A.R.S. DIRECTORY INFORMATION***



S.T.A.R.S. *Newsletter*
C/O Yolanda Ramirez
1922 Fountain View
Houston, TX 77057

First Class Mail
Address Correction Requested



A PUBLICATION OF THE SOUTH TEXAS ASSOCIATION OF RESALE SHOPS